

# Leszek Balcerowicz

## Towards the black scenario<sup>1</sup>

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## Introduction

In the first half of 2015, I was wrapping up the work on our report on the future of Polish economy - together with my young colleagues from FOR (the Civil Development Forum). Every fairly competent and unprejudiced man saw that, since 1989, we have achieved great economic success, unprecedented in our history and unrivalled by other post-socialist countries. For the first time in three hundred years we started to markedly reduce the gap in living standards between us and the West, and our GDP increased in comparison with those countries.

But success in the past does not guarantee success in the future. No effort, no result. We have to face new problems, namely to increase the resilience of the economy and state finances to shocks, and to facilitate the creation and development of enterprises - the most important job creators.

Our analysis showed that without a package of specific reforms, Poland will no longer be able to quickly catch up with the West, and perhaps even stagnate at approx. 60% of the average income in the European Union. The inevitable aging of the population has been threatening to decrease the workforce. We invest little. Finally, for the last few years, the overall efficiency of the economy has been increasing markedly slower, which means the slowing down of such processes as the transfer of workers to more productive activities, innovation and the elimination of wasting resources. This diagnosis did not raise major doubts. We focused the main effort on identifying reforms that are necessary to prevent the crisis, especially in state finances, and to ensure continued rapid growth in Poland. Both the diagnosis and the necessary reform package were presented in September 2015 during the Economic Forum in Krynica<sup>2</sup> (report available online: <http://bit.ly/1UAH35T>).

While working on the report, I was wondering what political scenario will emerge in Poland after the presidential and parliamentary elections in 2015. My predictions were not original: I expected the victory of Bronisław Komorowski. I thought it very important to avoid the worst option: the installation of an anti-reformist in the Presidential Palace, as it was the case in the days of Lech Kaczyński. Taking the diagnosis that emerged from our research into account, it would be very dangerous. Therefore, I became strongly involved - through my activity in the media, including the Internet - in opposing this option. While I had strong disagreements with Bronisław Komorowski, especially about the money grab of the retirement savings in the OFE (Open Pension Funds), I had (and I still have) no doubt that he is a decent man who understood well (like Lech Wałęsa), that private enterprise, and not - inherently politicized - state intervention, is the source of economic development.

As for the parliamentary elections, I felt much more uncertain. Like many others, I took the possibility of a coalition around PiS<sup>3</sup> (the Law and Justice Party) into account. In this variant, the president's office in the hands of Komorowski became strategically important to prevent various anti-reforms (e.g. lowering

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<sup>2</sup> The 25th Economic Forum in Krynica.

<sup>3</sup> Prawo i Sprawiedliwość, abbrev. PiS (Law and Justice), a Polish political party formed by Lech and Jarosław Kaczyńskis , ruled 2005 - 2007 in coalition, returned to power after 2015 elections. Lech Kaczyński was the President of Poland from 2005 till his death in a plane crash 2010).

Socially conservative, advocates economic interventionism, eurosceptical. Strong Catholic-nationalist tendencies. Condemns all previous governments.

the retirement age). I also did not rule out a weak coalition around the PO<sup>4</sup> (the Civic Platform). In this scenario, anti-reforms were much less of a threat, but pushing through the reforms required - as it usually happens in the world - a large mobilization of the civil society. I saw (and I still see) my role in this mobilization.

The results of the presidential and parliamentary elections turned out to be - from the point of view of reforms - much worse than the predictions.

### Why did Bronislaw Komorowski lose, and Andrzej Duda win?

There is no great difference of opinion here: the substantively better candidate lost because he had the worse campaign. There was a lack of coordination between PO and the Komorowski team, who demonstrated neither resilience nor good organization. The end of the campaign with a proposal of a referendum was a horror. Andrzej Duda worked hard in support of his wrong program. I tried to warn people of him, asking on TV: "Do you want to vote for 'the young Kaczyński'?. A slightly better campaign on the part of Bronislaw Komorowski would have given him the victory, and the great danger would have been prevented.

I do not personally know Andrzej Duda and in trying to prevent his victory, I did not refer to his personal qualities, but the publicly known facts of his political life. He was the deputy of Zbigniew Ziobro, the Minister of Justice in 2005-2007, the person who, for me, is one of the most disgusting figures in Polish politics after 1989. This is the man who is, in my opinion, at least morally responsible for the death of Barbara Blida<sup>5</sup>. I bear a grudge against PO that this tragic case has not been explained. This is the man who on television lynched people indicted by his subordinate, the public prosecutor's office, like it was the case with Dr G., thus breaking an elementary principle of rule of law: the presumption of innocence<sup>6</sup>. Andrzej Duda was an associate of such a person. And moreover, he worked in the office of Lech Kaczyński, where - as it was disclosed - he was delaying the signing of the long overdue law extending state control over SKOK<sup>7</sup> (credit unions), the favourite child of PiS in the financial sector. And this led to huge losses, amounting - so far - to PLN several billion. They were covered by the banks, so demonized by PiS, and ultimately - by the Polish society. Losses in Amber Gold<sup>8</sup> are estimated at PLN 250 million, and losses in the SKOK credit unions at about PLN 5 billion. And PiS so preyed upon the scandal of

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<sup>4</sup> Platforma Obywatelska, abbrev. PO, the Civic Platform, a Polish political party, ruled 2007 - 2014 under the leadership of Donald Tusk and later Ewa Kopacz. Its candidate Bronislaw Komorowski was the President of Poland 2010-2015. A Christian-democratic party, liberal on economic issues, conservative on social ones.

<sup>5</sup> Barbara Blida was a Polish politician who served in the nation's Parliament for 16 years and was a member of the cabinet in the years 1993-1996. According to Agency of Internal Security she shot herself when the Agency entered her house with a prosecutor's warrant to arrest her and search the house for evidence of corruption. This death was investigated by the parliamentary committee led by R.Kalisz and in final report it was written that J.Kaczynski and Z.Ziobro of the Law and Justice party "used criminal law in the pursuit of the exclusion of large groups of citizens, creating a system of exclusion [from public life] of individuals assigned to certain groups, particularly in relation to Barbara Blida".

<sup>6</sup> Dr G. was an established cardiac surgeon and head of the transplantation clinic in Poland. Z. Ziobro organized press conference after dr G. arrest announcing his guilt with any doubt in what can be called a media trial by Ziobro.

<sup>7</sup> Cooperative Saving and Credit Unions.

<sup>8</sup> Amber Gold is was Polish "para-bank" offering investors higher returns than those being given by formal banks and engaging in high-interest lending, all without falling under the scrutiny of the Polish Financial Supervision Authority (KNF). Owner of Amber Gold has been arrested and his trial is in progress.

Amber Gold! Incidentally, PiS is now seeking to extend the state (that is PiS') control in various spheres, while when in opposition, it defended their SKOK unions against state supervision as if it was a matter of national independence. Duplicitous morality.

These facts have demonstrated that Andrzej Duda has been a faithful soldier of PiS. I was surprised how many people suffered from the illusion to the contrary.

Apart from this, I followed his statements in the election campaign. On the one hand, it was "Poland in ruins" (which he later denied), on the other hand there were promises, the implementation of which would lead Poland not only toward a deep economic downturn, but also to a crisis.

So there was more than enough reasons to fear the victory of Andrzej Duda and to try to prevent it. And his subsequent behavior has increased these concerns. But more on that in a moment.

### Why did PiS win the parliamentary elections?

There are many theories on the reasons of the PiS victory, but most of them do not stand up, in my opinion, to the test of logic and facts. I think that this resulted from an entire combination of factors and events, some of which did not have to happen. Therefore there was no one overwhelming force, no fate. Of course, that does not imply that the effect is not dangerous - it most certainly is. Even random events can give rise to durable and bad effects. History is littered with such turning points. To use a drastic example, World War I did not have to happen, and yet it did. However it is not the case that nothing can be done to get off the wrong track, onto which Poland was put by the victory of Andrzej Duda and PiS. Of course it can be countered, and the stronger the organized civic resistance is, the faster it can be done. Luckily, this is what is happening.

And now let us return to the combination of factors and events that led to the victory of PiS in the parliamentary elections: firstly, the win in the presidential election gave PiS additional momentum, and let me again remind you - Bronisław Komorowski did not have to lose.

Secondly, these were earlier, glaring errors of PO that contributed to the victory of PiS. I am thinking in particular of its move towards PiS in the political agenda and ongoing publicity, clearly visible in the case of the grab of retirement savings in pension funds. Something similar was done before only by extremely populist governments: Kirchner first Kirchners' in Argentina, then Orban's in Hungary. And here Tusk's government, in order to avoid the necessary finance reforms of our state, went in the same direction, though - to be fair - I want to add that he previously removed most of the pension privileges and later raised the retirement age. Seizing retirement funds was not only a serious economic mistake, but a political one as well. It was a shock to the ideological part of the PO voters, especially as it was accompanied by propaganda full of demagoguery and anti-capitalist overtones (the stock market is a roulette, Polish OFE private pensions funds are bloodsuckers, etc.). These movements on the part of PO pushed away nearly two million potential voters - those who signed up again in 2013 to the truncated OFE, despite the extra effort it required (which people tend to avoid). It was a finger gesture aimed at PO. Incidentally, it was painful to watch as practically the entire PO parliamentary club raised their hands in unison when voting on the abolition of one of the most important reforms that had been

carried out in Poland after 1989, on the basis of a broad bipartisan consensus. There were acts of exceptional opportunistic behaviour among the anti-reform movements in PO, e.g. Dariusz Rosati, who criticized PO's first attack against OFE in 2011, and then later zealously supported much more drastic moves in 2013, when he was the chairman of the Public Finance Committee in the Parliament. Following that he became a candidate of PO for the European Parliament and went to Brussels. The behavior of the NBP (the National Bank of Poland) President Marek Belka, who - in spite of his own experts, and in a hysterical manner - supported the seizure of retirement funds was also surprising for me.

And PiS rubbed his hands in delight, because this approach agreed with their views on the state and the economy, although - nota bene - they did not implement it when they ruled in 2005-2007. It was PO that broke that taboo. Jarosław Kaczyński spoke extremely aggressively about OFE when in opposition to the reign of PO, competing in anti-capitalist statements with Leszek Miller of the SLD<sup>9</sup> (Democratic Left Alliance), with some publicists publishing in "Gazeta Wyborcza", and with a part of the post-socialist professorship as well.

Almost all the parties (with the exception of Janusz Palikot's group) practiced anti-capitalist propaganda on the occasion of seizing the OFE retirement funds by the government. And the most anti-capitalist of them, PiS, used the opportunity the most eagerly. This was a major boost for them.

The OFE case was compounded by the eavesdropping affair, disclosed in June 2014. I will briefly mention another instance of outrageous behavior on the part of Marek Belka, who proposed a political deal in a conversation with the then Minister of the Interior Bartłomiej Sienkiewicz. I believed then, and still believe now, that Belka should have resigned immediately, because he clearly violated the NBP's independence from the government. Sienkiewicz should have also resigned, if only because of his incompetence - he failed to prevent the eavesdropping. That would undoubtedly happen in countries with a higher political culture. But in our country, politicians involved in the scandal maintained their innocence and practically no one in the media condemned such behaviour. Scandals happen in various democracies, reactions to them show the political culture of the country.

And as for PO it adopted the worst possible strategy: eavesdropping itself was a scandal, and not what was revealed. From the legal point of view it was correct, but from a political one - deadly, because it increased the effectiveness of PiS' aggressive propaganda: "Well, now you can see that PO are people without morals, they are chancers, thieves, etc."

To complete the picture of events on PO's side, which increased the chances of PiS' victory, I will mention mining. True, PSL (the Polish People's Party) was responsible for it, and the fall in coal prices revealed huge losses especially in state mining. But then prime minister Donald Tusk got involved - and how: by courting the unions! He must have calculated that it is too late for reforms, and that election time is approaching. But it was another bad signal for ideological voters of PO. Delaying reforms always entails cost to the society, and sometimes to politicians as well. Generally, the protests of trade unions are not popular in Poland, Polish people show common sense on this point.

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<sup>9</sup> Democratic Left Alliance, first a coalition then a political party considered to be a successor to the communist party.

Leaving the subject of PO on the side, I want to remind you that PiS also ruthlessly exploited the issue of refugees, threatening Poles with their massive flood, when in fact it was a matter of several thousand people. Earlier, approximately eighty thousand Chechens passed through Poland, and the situation was then defended by Mariusz Kamiński<sup>10</sup>.

As for other events that might not have happened, I should mention that two parties: the United Left<sup>11</sup> and the party of Korwin-Mikke missed entering the Parliament by a hair: by 0.45 and 0.24 percentage points of votes respectively. Thanks to their absence PiS gained the majority in the Parliament.

As you can see, it's not the genius of Jarosław Kaczyński, but a happy - for him - coincidence that gave him such a result.

Of course it does not challenge the legality of the outcome, but let us realize that his success was not a result of compelling, powerful forces. This is a completely different situation than the overwhelming victory Orbán in Hungary in 2010.

Although Jarosław Kaczyński is not a political genius, he obtained a great influence on Poland

I do not deny him resilience and the ability to take advantage of an opportunity. But let me repeat: his successes would not be possible without a string of lucky - for him - coincidences. This happens in history. To use a drastic example, anyone who will read the excellent book by Richard Pipes, "The Russian Revolution", will find out what incredible luck - unfortunately - the Bolsheviks had. As for Jarosław Kaczyński, had Jerzy Buzek not offered the post of Minister of Justice to Lech Kaczyński in the year 2000, PiS would not be a significant party today. Again, the role of coincidence in history. All that would remain would be a picture of a demonstration in 1992 during which an effigy of Walesa was burned, just after Lech Walesa got rid of Kaczyński from the presidential office. This demonstration was disgusting and shocking for me. I have already written about later coincidences and circumstances that proved lucky for Jarosław Kaczyński.

So in the case of Jarosław Kaczyński we do not deal with a political genius. What sets him apart is the lack of inhibition in hate speech and innuendo, which by the way harms his popularity. When silent, he gains. It was also one of the success factors for PiS - the substitution of Andrzej Duda and Beta Szydło, that is "young Kaczyńskis" for Jarosław Kaczyński. How many people fell for it! I fear also that Jarosław Kaczyński lacks restraint in action. This is confirmed by the attack on the rule of law, which PiS conducted within the first one hundred days in power. More about it in a moment. A lack of inhibition is not for me a reason for admiration. In this respect the history knows better performers than Jarosław Kaczyński. It is however a reason for a strong, well organized and growing civil action. This is why I support KOD<sup>12</sup> (The Committee for the Defence of Democracy) and hope that it will grow in strength as a non-partisan movement focused on the defense of the rule of law. Because if someone lacks internal

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<sup>10</sup> The former head of Central Anti-Corruption Bureau. He was found guilty of abuse of his power, sentenced to three years in prison and barred from holding a public office for ten years. He appealed, but before his appeal was considered, the Polish President Andrzej Duda pardoned him. Soon afterwards he was nominated the head of special services.

<sup>11</sup> The United Left, an alliance of left-wing parties.

<sup>12</sup> The Committee for the Defence of Democracy, a Polish civic organization formed in Nov 2015 as a protest movement against anti-democratic actions taken by PiS government in the first months of power.

brakes, the only way to stop him are external countermeasures made possible by the civil liberties (of media, speech, association, demonstration, etc.).

For more than 40 years I have been undertaking a comparative analysis of the different political and economic regimes. It was a great honor for me to work towards radical improvements in conditions of life and work in Poland. I learned a lot about what helps and what harms the country from these studies and from the practice. I have no doubt that Jarosław Kaczyński is a political damage-doer, consumed by the wrong doctrine or simply a lust for power. And those who wreck the political system do not impress me.

Part of PiS' success comes from the fact that its aggressive slogan "Poland in ruin" mobilized layers of frustration accumulated in Poland - as it is in any society. He told and continues to tell people: "Your problems stem from the evil forces of the Third Republic: the establishment, the conspiracy in Magdalenka<sup>13</sup>, etc.". For the purposes of his party or due to his ideological confusion, he attempts to falsify the best period of our history in the last 300 years. The brutal attacks of Jarosław Kaczyński and his entourage e.g. on Władysław Bartoszewski - the Polish Nelson Mandela - legitimized boorishness in politics. Petty people can act superior and make themselves feel better by spitting out words, toward these great men. We saw this most recently in the case of the attacks on Lech Walesa after the disclosure of the Kiszczak documents. Jadwiga Staniszkis aptly describes these actions of PiS, saying: "PiS emboldened the lumpen segment of our society". By the way, it is great that she finally opened her eyes.

PiS not only mobilized frustrated people for the purpose of the party, but also addressed various groups of protest: borrowers with mortgages in Swiss francs<sup>14</sup> who blame banks for their losses, opponents of splitting secondary schools into gymnasium and lyceum, opponents of starting primary education at the age of six, supporters of early retirement etc. He supported all of them and promised to meet their demands, without carrying out any substantive analysis of the effects it would have for Poland. And the greater the range to which PiS will meet these demands, the worse for our country. More about this later. The cost of triumphant populism is always ultimately borne by the society. Latin America is full of such examples. Look at Venezuela, Argentina and Brazil. And in Europe, look at Greece.

Jarosław Kaczyński has had - so far - unquestioned support of the PiS apparatus, or - in the language of the old system - of the hardcore party activists. I think that they consist of three groups, which may partly overlap. First the loyal followers - among them the so called Convent, a narrow group, which has been with Kaczyński from the start, for example Krzysztof Czabański and Adam Glapiński. They share a common objective: the acquisition of power, and some common beliefs regarding methods to achieve it, plans how to use it and ways to hold to it. Mariusz Kamiński, Zbigniew Ziobro, Antoni Macierewicz also

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<sup>13</sup> Magdalenka, a village near Warsaw, the place of talks between the representatives of Communist government and Solidarity in 1988 as preparation for the Round Table Talks. Some politicians, notably Jarosław Kaczyński, accuse representants of Solidarity of striking a covert deal treacherous with the Communists. Lech Kaczyński, Jarosław's twin brother, former president of Poland and PiS politician took part in this talks.

<sup>14</sup> Borrowers with mortgages denominated in Swiss francs who, attracted by low interest rates, lost heavily on unfavourable exchange rates. Some of them blamed banks for unfair practices and demanded compensation.

belong to this group, although they were not the members of the Convent and have their own supporters, like Father Rydzyk in the case of Macierewicz.

The first group includes as well the young believers - believing puppets. Andrzej Duda's behavior shows that he falls into that category. I will never forget the vengeful joy with which he reacted to the announcement of documents from Kiszczak's cabinet, announcing with a twinkle in his eye: "Behold! This is the Third Republic!". I would put Beata Szydło in this group as well. Incidentally, her behaviour resembles Renata Beger, an MP of the Self-Defence Party. The same incredible gall to proclaim obvious untruths at any occasion, in her case even in the European Parliament.

In addition to the faithful believers among the PiS activists - as in most political parties - there is a much larger group of people hoping to be nominated to a state position by the party. For them, the doctrinal issues are probably insignificant or secondary. PiS is peculiar in that respect as many of its activists couldn't even fathom holding such positions, which - thanks to Jarosław Kaczyński - they received. Therefore they feel enormous gratitude and will defend PiS (that is their own jobs to the bitter end). Take for example Patryk Jaki, a 30-year-old political scientist, who became the Deputy Minister of Justice next to Minister Ziobro. What are his qualifications for this post ?! For me, basically all he has done so far was to falsely accuse one of the members of PO that he rents premises to an escort agency. And this is the Deputy Minister of Justice! I remember him as well from another episode. When at the beginning of 2015 I was in Kiev at the invitation of President Poroshenko, Patryk Jaki, at that time the spokesman of Ziobro's party, issued a public letter to the President, stating that he should not listen to me because I ruined Poland. Many other strange individuals crept out of the ranks of PiS, like the people who took over the stud farm in Janów Podlaski. Incidentally, they could do it only because it was state owned.

Against this background it comes as a shock that Mateusz Morawiecki<sup>15</sup> states in the Polityka weekly (No. 9/2016, p. 25): "I am happy that after 27 years we finally have the cadre of independent, fully professional and patriotic managers in Poland". And especially relatives (e.g. Jan Maria Tomaszewski, a consultant at TVP) and colleagues (e.g. Wojciech Jasinski, elevated to the top of Orlen). Maybe close ties with Jarosław Kaczyński sanctify, as was the case with relatives and close companions of Muhammad?

As for the Mateusz Morawiecki, I was surprised by the comments of the media: "It's good that an economic expert has appeared in the PiS government". First, not every CEO of a foreign bank takes his fat salary for really managing the bank. And secondly, such a post does not automatically provide knowledge of what determines the stability and development of the economy. This is evidenced by the statements of Mateusz Morawiecki full of patriotic slogans and incompetent references to the economy. His plan, praised by J. Kaczyński and Jarosław Gowin as the "great plan of Morawiecki" is quite shocking. But more on that in a moment. To finish the story of the Deputy Prime Minister, let me add that I am especially stricken by the ferocity with which he speaks about the Third Republic and about Lech Walesa. In this respect he reminds me of Andrzej Duda. Even Mateusz's father, Kornel Morawiecki, sometimes speaks in a more balanced manner.

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<sup>15</sup> A Polish banker, since November 2016 Deputy Prime Minister and Minister of Development in PiS' government.



To complete the story of PiS activists, I want to say that not all of its members belong to the sect nor are careerists. I think that a lot of people were led astray, succumbed to the propaganda of the sect or were wooed by the magic of their victory. A question remains: will they shut their eyes and ears so that signals from the world outside the party cannot reach them?

### The Left acted for PiS

Of course its representatives certainly did not want the victory of PiS - on the contrary, they were afraid of PiS. But that is precisely the stupidity or ideological doggedness: one works in support of something unwanted. But first I want to say that the conventional distinction between "the Left" - "the Right" is misleading, because it suggests that there are two opposing camps. Meanwhile, on the basics - the state's role in the economy - the Left and the Right have, especially in Poland, similar views: both want more state intervention, that is, more power in the economy given to politicians and officials. That's why I call them "the Left-Right" together (or if you prefer - "the Right-Left") distinguishing "national" and "progressive" variants among them. The former (in Poland that is PiS) pushes collectivist solutions - for the good of the nation, and the latter - for the good of society. But the solutions themselves do not differ much, and - as I said - offer more power for the political-bureaucratic apparatus at the expense of the free market and civil society. Therefore, one should not put the progressive and the national Left-Right on opposite sides, because they are together at one end: the advanced statism. Just as fascism and communism - contrary to what Stalin persuaded to the world - were not on the opposite sides, but - in terms of the role of the state and the economy - on the same side. And we have a system that combines the rule of law, democracy, free markets and vibrant civil society on the opposite end of the scale. This is the system, which has been my target since 1989. Despite strong resistance of the Left-Right, we have progressed a lot on this road. Now we are experiencing a time of rapid regression on all fronts, a setback that we must stop and reverse. Nobody can do this for us.

None of the Left-Right criticism of the transformations in Poland after 1989 known to me refers to any professional comparative studies, the only source of reliable opinions. No, the basis for the attacks is a variety of ideological diagnoses and visions, which in the case of the progressive Left-Right often constitutes imported intellectual rubbish of anti-capitalist circles of the West. Some philosophers that excel at this publish in "Gazeta Wyborcza", especially Andrzej Szahaj of the Nicolaus Copernicus University in Toruń. And PiS has its own home-grown ideologues, although this draws from Orbán as well. And in terms of attacks on the "rotten morals" of the West, PiS' internal or associated circles (Father Rydzyk) resemble the propaganda of Putin.

Closer observation of the more radical progressive Left-Right, especially Razem (Together Party) and PiS, shows astonishing similarities. In both cases we find a reference to the Marxist anti-capitalist slogan of exploitation. In both cases we can also find the suggestion that the social rights handed out by good politicians are the most important for the people, and civil rights and the rule of law are secondary and maybe even they are just a bourgeois masquerade. Such exposure of social rights and disregard for fundamental freedoms is characteristic for totalitarian regimes and currents, ranging from the French Jacobins and their successors - the Bolsheviks. Bread - yes, fundamental freedoms - no. As we know, the problem is that when freedom, especially the economic freedom is taken away from the people,

bread starts to run out as well. Two hundred years ago one might have failed to understand this concept, but not now!

### What happened after the elections: a bird's-eye view

First, let's look at the bird's eye view of the entire map of events, then focus on its key elements. A holistic view shows that under the slogan of "good change" PiS has been taking back our system in all major areas: the rule of law, civil service, public media and official language, fiscal consolidation, the development prospects of the economy, foreign policy and Poland's position in the West. What is worse, the changes were not announced in Andrzej Duda and PiS' programme and they relate to the very character of our state. In this sense, we are facing electoral fraud. I also believe that in three months, Kaczyński, Duda and PiS did more harm than PiS together with the LPR (the League of Polish Families) and Samoobrona (Self-Defence of the Republic of Poland) in the years 2005-2007. This is perhaps due to the fact that PiS had no majority in the Parliament then, and its government included people of other views, such as Zyta Gilowska. I do not see such people in the current PiS government - unless Jarosław Gowin and his group expertly camouflaged themselves.

It is also worth noting that the effects of these negative changes reinforce each other. Thus, for example, the economy depends not only on narrowly understood economic policies (e.g. the shape of the budget, monetary policy, the share of state property, tax laws). It's stability and development are strongly affected by the attitude of politicians towards the rule of law and by the overall image of the country in the world. PiS increased risk to investments in Poland by bad actions in these areas. Thus, they hurt the economy and state finances. They also hurt the effectiveness of foreign policy, otherwise strongly reduced by the odd Foreign Minister Witold Waszczykowski. Soon we will fondly remember Anna Fotyga. I think she made less blunders and she didn't cowboy around so much.

There was some positive feedback during the rule of PO-PSL coalition: the economic achievements of Poland - especially as compared to other countries - and adherence to Western standards in the behaviour of coalition politicians earned Poland huge recognition in the West. The greater shock was caused by PiS' victory and by their anti-reformist attacks. The matter was made worse by the statements of PiS leaders during visits to the West. For example, in an article for the "Financial Times" Andrzej Duda questioned the economic successes of Poland and presented the country as steeped in corruption, although we belong to the least corrupt countries in our region.

In its propaganda, PiS presents itself as an anti-communist party. But when you look at the most important thing - the direction of political change towards which PiS is pushing, it becomes instantly obvious that they are the most post-communist of the parties that ruled in Poland after 1989: they advocate more power to politicians both in the state and in the economy, control of the party over the public media, they attack independent organizations etc. This is the worst kind of post-communism, because it is systemic. It is better if post-communists implement systemic anti-communism, rather than anti-communists practicing post-communism. In addition, the personal anti-communism of PiS does not look good: there are few people within PiS who risked opposition to PRL (the Polish People's Republic), on the contrary, among its leading activists it is not difficult to find those who were members of the PRL

apparatus up to the very end, for example Stanisław Piotrowicz, prosecutor, leader of the PiS attack on the Constitutional Tribunal.

### The attack on the Constitutional Tribunal

Firstly, one needs to distinguish between the institution of the control of the conformity of laws with the Constitution and particular decisions of the Constitutional Tribunal. This institution is a great contribution of the United States to Western political systems (in the UK, common courts previously already had right to criticize laws in their judgments). The institution of the constitutional court spread from the United States to many countries of the world. Of course, among them are those where the constitutional court was only a puppet form from the beginning or became one later. For example, Juan Peron, the Argentine dictator, an admirer of Hitler and Mussolini, exchanged the majority of the judges of the Supreme Court (which was also a constitutional court) in 1946 and in this way set a bad tradition under which the composition of the court was *de facto* dependent on the current political power. But this is not the standard of the West - constitutional courts are independent, and an attack on this institution is treated as barbarism. Such reactions are particularly strong in the United States, regardless of political orientation.

In Poland, when creating the Constitutional Tribunal we headed, especially after 1989, towards Western standards, and, to a large extent, this has been achieved.

Respect for the institution of the constitutional court does not mean an absence of criticism for some of its decisions, as similarly, respect for the principle of free elections does not mean that we consider every outcome to be good. In countries with mature democracies, judgments of constitutional courts are widely commented and - sometimes - criticized. But no sane person calls for the elimination or the crippling of that institution on the basis of that critique. I myself have had a critical opinion about the way in which our Constitutional Court treated the case of OFE, but I still defend this institution with the utmost conviction. I do not mistake the fundamental importance of the Constitutional Court for the political system with the debatable merits of some of its decisions.

The attack of PiS on this institution is the most drastic attack on the rule of law in Poland that happened after 1989. The rule of law has many definitions, but its essence is simple: politicians do not stand above the law, and thus, in particular, they do not stand above the Constitution, which limits their power. The institutional safeguards in the legislative process are constitutional tribunals, and in the judicial process - courts of law. That is why their independence is so important. The rule of law means that citizens who do not commit clearly defined crimes need not be afraid of the state authorities, unlike it was in the communist era. The rule of law is therefore the opposite of a police state.

What is the attack of PiS on TK? It is true that the PO-PSL coalition made a mistake - or was it an act of opportunistic folly? - by selecting five judges instead of three to the Constitutional Tribunal before the parliamentary elections in 2015. And that is what PiS treats as a justification for its actions. This is a falsehood, stated Jarosław Gowin, the Minister of Justice in the PO-PSL government, in his letter to former students. For steps undertaken by PiS towards the TK are much worse, and if not for these steps, the problem would have been solved long ago. PiS politicians and their supporters act according

to the gang logic: if our rivals wanted to steal something from us, then we have the right to steal everything from them. The escalation of attacks on the Constitutional Tribunal is the work of Andrzej Duda in cooperation with PiS. Thus far in Poland, no president has broken our constitution so frequently and so flagrantly, the very constitution which imposes (Article 126) the obligation to be the guardian of the Constitution! Andrzej Duda refused to administer the oath of office to the five judges of the previous term, although under the ruling of the Constitutional Tribunal, he could have done so to the three of the five. Despite this, he swore the five judges selected by PiS all at once. However, his worst step was to pass so-called Remedial Act (sic!) in December 2015, which - in conflict with the constitution - aims to paralyze the Constitutional Tribunal, and at the same time - once again against the constitution - by removal of the *vacatio legis*, aims to prevent the current judges of the Constitutional Tribunal from ruling on the constitutionality of this very law. It's like firing quality controllers from a factory in order to be able to announce that they had no objection to the quality of its products. With a choice: to surrender, i.e. to put up with the unprecedented and treacherous attack on the core of the rule of law, or conduct an evaluation of the law on the basis on the Constitution itself, the judges of the Tribunal rightly chose the second solution. Let us hope they do not bow to the pressure. After all, this is a matter of great importance for the political system, and the judges themselves personally risk very little. Even PiS would not put them in prison.

#### Rule of law or a police state?

There are other problems as well. The fundamental importance of judicial independence was already mentioned. Attacks on judges should be treated as warning signals. For Hitler, the courts were the enemy - until they were subdued.

Then there is a problem of the Prosecutor's Office. In Poland, there were dramatic cases of unjustified prosecution of people by incompetent or disposable prosecutors. And the new law on public prosecution gives enormous power over the institution to the hands of Zbigniew Ziobro, a man in whom is hard to have confidence.

There is also a problem of special services, which in turn were put in the hands of Mariusz Kamiński, previously convicted by an independent court for abuse of power- thanks to Andrzej Duda having him pardoned. In this way, Duda violated the separation of powers in the state.

Many doubts are raised by the Law on surveillance, which expands the scope of entitlement of various services.

Finally, one should remember that some politicians uninhibitedly treat the state as their own loot, distributing jobs among themselves, and sometimes even go further: after gaining control over the state apparatus they use it as a tool against their political opponents, a tool with which they aim to secure a win in subsequent elections. In an extreme case, the regular police, various inspections and tax apparatus become a tool of repression in the service of the party. In such a case we are dealing with a police state with a democratic façade, as in Lukashenka's government in Belarus . Poland is obviously not Belarus, nevertheless the behaviour of various organs of the state should be monitored.

### How should democracy be understood?

This concept should be distinguished from the concept of the rule of law that I was talking about. Democracy is best defined - as the outstanding economist Joseph Alois Schumpeter - did - as regular free elections, i.e. an open political competition. This obviously requires extensive civil liberties (of media, assembly, association), because otherwise it is difficult to compete in politics. Restricting these freedoms, which leads to a police state, lowers the level of democracy, and in the extreme case turns it into fiction, just as in the Polish People's Republic (PRL).

Even when civil liberties are not severely limited, the problem of how to control the legislative activity by the ruling politicians remains - namely what about the division of powers in the state. In other words, is it the case that the winner of the election can do anything? According to this criterion, one should distinguish illiberal democracy, where the ruling power is elective but not severely limited, from the liberal (in other words: constitutional) democracy, where this power is subject to strong restrictions. This distinction was popularized by the famous American journalist Fareed Zakaria, who incidentally, sharply criticized the actions of PiS on CNN. The constitutional democracy is the political system of the West, the non-liberal democracy until recently dominated in Latin America. In the latter, the policy of poorly limited authorities may be subject to large fluctuations, and apart from this, these authorities have great potential and temptation to secure their control over the state. Hence, such a democracy is unstable and vulnerable to internal attacks.

When Jarosław Kaczyński once spoke about "impossibilism", he was probably complaining about the limitations typical for the constitutional democracy. However, I do not think we will allow him to move us to Latin America, especially since some countries (e.g. Argentina after the elections in 2015), are trying to learn from the mistakes of this model.

### Language, propaganda, media

Of course I use language in my work: in academic work as a tool to express theses and evidence, in the popular press as a polemic tool, among others. In the first sphere, I try to be as precise as possible. I think that - in the analysis of socio-economic reality - the most important theses can be formulated in a manner clear and understandable for non-specialists. And as for polemics, I try to stick to one rule both in traditional media and in social networking: do not get involved in attacks *ad personam*. I am sometimes very critical, but in regards to what certain people say or do. But this is not a personal attack, there are no insults, insinuations, groundless and false accusations, etc.

For years, I have been interested in language as a tool to influence emotions, attitudes, and - as a result - actions of people, that is in the language of propaganda. I use this word in the neutral sense.

I therefore watch carefully the propaganda used by PiS and its supporters. I am struck how much it resembles the propaganda of the times of the Polish People's Republic (PRL) or of contemporary Russia of Putin. Here I summarize their rules in several points:

1. Anyone who criticizes us, is our enemy. One does not discuss with an enemy, but attacks him, usually *ad personam*, seeking to destroy his image.
2. The attack uses insults and innuendo. Typical insults are "thieves" and "traitors." This is the language of Lukashenka. Accusations without evidence are also used, usually evidently false ones. I call this last procedure 'the KGB standard, because, in its practice, an accusation was equivalent to evidence - and further to a conviction.
3. Enemies often serve different dark forces, or they are such dark forces themselves forces. In the PRL these were usually German revisionists and American imperialists. For PiS they include, for example, Soros, banksters, the EU's "establishment".
4. Normal words are replaced with insults, e.g. one says "banksters" rather than "banks".
5. Special attacks are directed at the most influential critics, in an attempt to demonize them. Such an honour was granted to Tomasz Lis<sup>16</sup>, for example. And then one employs an attack by association, e.g.: "You talk like Lis, you learn from Lis, you're worse than Lis". The communist propaganda demonized Kuron and Michnik<sup>17</sup> and similarly attacked others by association.
6. We disregard facts, and stubbornly repeat our theses - according to the rules of totalitarian propaganda: it is not the truth that counts, but what we make people believe in. For example, Jarosław Kaczyński announced: "We are heading towards truth on the issue of Smoleńsk" and at a conference organized by Father Rydzyk, he gave presentation entitled "Faces of manipulation". As another example, Beata Szydło said, when referring to PiS' attack of on the public media in TV Trwam<sup>18</sup> on 26 February 2016 that she assesses the changes made by Jacek Kurski as very positive, and that "the media is for citizens, not for politicians!"

And PiS conducted an attack on the public media on a scale unprecedented since 1989. I remember how disgusting television broadcasts during the martial law were. I have similar reactions to broadcasts during the rule of PiS, except that the news broadcasts under Jacek Kurski are more manipulative than under Szczepanski, just as if Jacek Kurski studied Putin's television. Public radio also falls victim to the control of PiS. After the huge KOD manifestation of Warsaw on 27 February 2016, there was no mention of it in the new headlines in Radio 3 at 5:00 pm. They mentioned the fact that Russians demonstrated in Warsaw to commemorate the anniversary of the death of a prominent Russian opposition politician Boris Nemtsov, an otherwise noble initiative.

And as for other broadcasts in public TV, Michał Ogórek - insightful and witty as usual - noted that there is a plan to reactivate all the flagship broadcasts from the times of PRL in the television of PiS. He added: "The love of television from the PRL era may seem somewhat insane, given the decommunization phobias of the new authorities" ( "Gazeta Wyborcza", 26.02.2016). This is obvious irony. As I mentioned, PiS are politically post-communists.

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<sup>16</sup> Tomasz Lis - a Polish journalist, television host and political commentator, an object of vicious attacks of PiS' supporters.

<sup>17</sup> Jacek Kuroń and Adam Michnik - prominent opponents of the communist government since 1960s.

<sup>18</sup> A Polish television channel and Radio Maryja - a radio station run by Father Tadeusz Rydzyk.

This post-communism involves the takeover of public media as a tool of indoctrination and fight with opponents. It's as if TV Trwam and Radio Maryja were multiplied - with public money! This is an attempt to limit democratic competition. It also means lowering the quality of life of those Poles for whom the official hypocrisy causes discomfort and even disgust.

In opposing the authoritarian practices of PiS, one should expose and ridicule them - using the Internet - systematically and on a massive scale. The names of editors and journalists who use these practices should be disclosed. After all, the ultimate responsibility is always individual.

The PiS propaganda, in combination with its actions promotes a duplicitous morality. Being in opposition, PiS criticized PO and PSL often rightly, for making appointments to state controlled positions according to party patronage. And now they are doing so on an even larger scale, and they are making a virtue out of it, because - as Mateusz Morawiecki and others have said - the PiS nominees are "patriots".

In politics not only incompetence and populism, for which the people always pay the price are detrimental. Populism means sucking up to the people at their expense. The obvious immorality of propaganda and actions of those who govern increases the harm. It offends the dignity of millions of people. And sooner or later, it has political implications.

#### The stabilization and development of the economy

In fact we have been talking about the economy, without explicitly mentioning it. As I said, the attack on the rule of law, arbitrariness and unpredictability of the governing, deceitful propaganda, etc. degrade the image of Poland in the world, increase the risk of investment and speed up the outflow of capital, both domestic and foreign. Of course, all that reduces the growth of our economy and increases the risk of a crisis, especially as the global economy shows more and more warning signals and alarming events. On top of that, the economic policy is - from the point of view of stability and development of our economy - wrong as well. PiS inherited an economy which was growing rapidly - as for Europe - and had no imbalances that could jeopardize its growth, namely: credit growth does not precede the growth in debtors income, which means that there is no unhealthy, credit driven boom. In 2015 our exports increased by 5.4%, faster than the world average (3.4%). So far, the stable and healthy banking sector has always been the strong point of our economy. It was the credit unions of PiS ("SKOK"), and not banks, that have suffered billions in losses. Incidentally, these losses were covered directly by the banks, and so ultimately - to a large extent - paid for by all of us.

Finally, as I mentioned, maintaining rapid growth requires reforms, described in the report of FOR.

The weakest side of the opening balance is the condition of the state finances. That stems largely from the fact that instead of doing more reforms in this sphere, the PO-PSL coalition decided to take over the savings from OFE pension funds, the act that - let me remind you - was supported by both PiS and SLD. In 2015, only four EU countries had a similar or higher deficit in state finances than we did.

Against this background, what does the economic policy, proposed by PiS and already partly implemented, entail ?

In a nutshell:

- It weakens what is most in need of repair, namely public finances;
- It weakens what has been strong until now, specifically the banking sector;
- And finally it weakens that which requires strengthening by reforms, namely - the forces driving long-term growth of the economy.

The development and wider substantiation of these claims are presented in the FOR analysis of 29 February 2016 (<http://bit.ly/21gnaim>). Here I mention several issues.

The "500+"<sup>19</sup> PiS flagship program, which costs PLN 17 billion in 2016, will be financed with extra income (from the sale of telecom licenses and from exceptionally high profit payments of NPB to the budget). As of 2017, this program will cost PLN 22 billion per year. Let me add that no studies known to me confirm the PiS propaganda that a lot more children will be born in Poland thanks to these billions. In the best case, the cost of each additional child will be PLN one million. Billions from taxpayers' pockets will serve to gain votes of the beneficiaries of 500+. Going back to the funding of this program: even if sectoral taxes (from the banks and from the commerce - or in fact from their clients) plus the better collection of other taxes were sufficient to cover the cost of 500+, there won't be enough money for PiS' other promises (lowering of the retirement age, a radical increase of the income tax threshold, free medications for senior citizens, etc.). Well, not unless PiS increases the - already vast - budget deficit. But new loans will be more expensive and so the risk of disorders in finances of our state will increase. To avoid this, PiS should give up on the implementation of these promises. Although that in itself would still not be enough to heal the public finances. The already accumulated deficit and the risk of slower growth in the world economy require additional steps to rationalize the budget. PiS may decide to steeply raise taxes. This would, however, be contrary to its election program and would hinder the growth of the economy in the long run.

As you can see, PiS' promises were in complete contradiction with what public finance requires. They demonstrated either extreme incompetence, or the extreme irresponsibility of the management team of the party, including Kaczyński, Duda and Szydło.

The same can be said about the promises made to borrowers with loans denominated in Swiss francs, who by the way belong to the wealthier parts of the Polish society. Andrzej Duda particularly excels in these pledges. His bill on the conversion of loans in francs would drive nearly three-quarters of the banking sector into the red, as estimated by the NBP. A banking crisis means the collapse of the economy and - as a result - a blow to the society. Andrzej Duda, betraying the Constitution, is not only

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<sup>19</sup> A child benefit scheme "Family 500+" offering a monthly allowance of PLN 500 for every second and subsequent underage child, one of flagship promises of PiS during their election campaign.



striking at the rule of law in Poland, but also proposes to ruin the Polish economy. And this is the man who was playing on the slogan "Poland in ruins!" during the electoral campaign.

Finally, the proposals and, in part, the actions already taken by PiS go towards weakening the driving forces of our economy, forces which now require strong reinforcement. Lowering the retirement age means that there are fewer people in the workforce which strikes a blow to the country's finances. The 500+ program encourages thousands of people to give up their official jobs and the introduction of a minimum hourly wage impacts similarly. Legal chaos and discretionary taxes will discourage private investment, which is still too low anyway. Upholding the bloated sector of companies remaining under the control of politicians and officials, perhaps even increasing it, will inhibit the growth of the efficiency of the Polish economy, that has already weakened anyway in recent years. Banning the sale of agricultural land, thus paralyzing this market, would go in the same direction. And so on.

### Morawiecki's Plan

A plan is a precisely formulated goal (or goals) together with competently selected measures whose implementation is likely to ensure the achievement of the objective. These conditions were met by the Hausner's plan of 2004 - the most important plan to repair public finances after the year 2000, unfortunately largely blocked by politicians.

Morawiecki's is the opposite of Hausner's plan. It makes me laugh when I hear Jarosław Kaczyński and Jarosław Gowin speak of the "Morawiecki's great plan". And on top of that the latter calls himself "an advocate of the free market". The opinions of some experts lauding the various tertiary issues in the plan of Mateusz Morawiecki are laughable. In each project essential things must be distinguished from unimportant ones. Meanwhile, some commentators of the of Morawiecki plan behave like car experts, who praise upholstery, and ignore the fact that the car can only drive backwards.

Morawiecki's plan is rife with slogans. However, if development could be built on slogans, the PRL<sup>20</sup> would have flourished.

Mateusz Morawiecki rightly repeats some of the well-known and correct diagnoses, for example that we should invest more. But he does not propose any effective measures, or - worse - he proposes cures that are worse than diseases, to start with the increase of the state interventions, which is by nature politicized and rarely accountable. And he remains silent on the issue of public finances and the attacks on the rule of law, which are so dangerous to the stability and development of our economy.

Against this background, the purpose of the plan, as declared by Mateusz Morawiecki – that Poles' average earnings should catch up with the average in the EU within next 15 years – reminds the

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<sup>20</sup> Polska Rzeczpospolita Ludowa - Polish People's Republic, was the official name of Poland between 1952 and 1989

declarations of Gierek<sup>21</sup>. This goal is achievable, but by the program being a reversal of the PiS policy of and Morawiecki's plan!

### Transformations, good and bad

The institutional economics, the main field of my academic work, includes, among others the problem of regime changes. Larger of the constitutional changes can be divided into good and bad transformations. Good ones move from worse to better the institutional system, bad - conversely, from better to worse.

But according to what criteria can transformations be divided into good and bad? I think we should take three dimensions into account: 1. What is the level of the rule of law? 2. Democracy: are the authorities elected in regular and fair elections (which requires extensive civil liberties), or are they non-elective? 3. What is the scope of economic freedom (the core of which include private property and the freedom of contract)?

One can empirically prove that, in these three areas, large differences or changes strongly differentiate or change the quality of life in the country, both economically (the wealth) and non-economically (life expectancy, a sense of security in relations with the state authorities and with others, etc. ).

Good transformations are, by definition, those that improve the system according to at least one criterion, without compromising it in other dimensions. Such a transformation took place thanks to the fall of socialism, a very bad system, in our part of the world, and Poland has, so far, been its leader. This transformation is distinguished by the fact that the improvement took all three dimensions. In China, the transformation limited itself mostly to expanding the economic freedom, which caused rapid economic growth from 1970 to 2015. However, continued rapid economic growth of the country is under a big question mark.

For several years, I have been watching bad transformations, which worsen at least one dimension of the system without improving the others. From history we know drastic examples of such changes, e.g. the Bolshevik revolution in Russia or Maoist China. Recent years have provide us with much less drastic, but very instructive and warning examples, namely: the deterioration of systems, which, at least initially, were democratic. In such cases, there is no coup, free elections are followed by a institutional regress.

Examples include the move from Yeltsin's Russia to Putin's Russia, Orbanomics in Hungary, control over the state by Erdogan in Turkey, Peronism in Argentina, Chavismo in Venezuela. There is, of course, no place in this book for an analysis of individual cases. I can only say here that they all include severe restrictions or even an outright abolition of democratic competition, regression in the level of the rule of law and restrictions on economic freedom introduced by the increase of - always politicized - interventionism practiced by the ruling politicians, including the nationalization of some companies (Russia, Argentina, Venezuela, Hungary). Such a move satisfies the lust for power of the governing politicians, enables them to staff positions with their people and to the devout statist it gives an illusion of strengthening economic growth.

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<sup>21</sup> Edward Gierek, a Polish communist politician and the First Secretary (1970-1980) of the ruling Polish United Workers' Party (PZPR) in the Polish People's Republic.

Analyzing these examples, I ask a question what determines the durability of a bad transformation, i.e. how long a worse regime can last? The very start of bad changes may be caused by a combination of factors, some of which - as in the case of victory of PiS in Poland - might not have happened. The main question is: once a bad transformation begins, how quickly can it be stopped and reversed?

Reflecting on this question, I come to the conclusion that long-term bad transformations resulted from a combination of several factors.

First, a talented and unscrupulous demagogue must appear and act for a long time. Perón in Argentina was such an example, and presently we have Putin in Russia, Erdogan in Turkey or Orbán in Hungary.

Secondly, this demagogue must build a strong and lasting organization. The organization outlives its creator in the most enduring bad changes, like Peronism in Argentina.

Thirdly, there must be a large social base - a large part of society that can be mobilized by the demagogue and his organization in order to gain power democratically and then - not necessarily in a democratic way - to maintain it. Mobilization is - in different proportions that are dependent on a situation - a combination of aggressive, hateful propaganda directed against the opponents and distribution of jobs and money. For example, if it comes to propaganda, Orbán mobilizes people from the countryside and smaller towns against the "Establishment" in Budapest. Erdogan mobilized the politically more conservative - in the religious sense - population of Anatolia and directed it against the less religious "Establishment" dominant in Turkish politics since the days of Atatürk. Chavez in Venezuela, an admirer of Cuba, used aggressive anti-capitalist and anti-American rhetoric combined with mass social distribution. Putin became increasingly anti-Western, started to emphasize the greatness and sovereignty of Russia and - using the then high prices of oil and gas - distributed a lot through the budget.

And finally, the fourth factor: expanded distribution must be maintained, and so have a permanent source of funding, otherwise the acquired supporters may turn away from the populist. Extended distribution cannot be maintained, if it is funded by the windfall gain, which usually comes from the raised prices of raw materials exported by the country. So was the case in Russia, Venezuela or Argentina. The situation of ruling populism is further complicated if its policy is detrimental to the economy through chaos, legal uncertainty, increased party interventionism and hostility toward foreign capital. Venezuela at the time of Chavez and his successor Maduro is an extreme case in point. Putin's Russia, where the growth of interventionism and state ownership has led to stagnation even before the attack on Ukraine and the decline in oil and gas prices is less extreme. Incidentally, Morawiecki's plan is very similar to Putin's plan as far as the proposed increase of statism goes. And now Putin, pressed by the situation, may resume privatization.

Of course, in some cases, ruling populism may try to compensate for the decline in distribution by growing indoctrination through the controlled media and by increasing repression according to the principle: if you cannot bribe people, you have to fool and intimidate them. Putin's Russia and perhaps also Erdogan's Turkey are heading in this direction. But a strategy à la Putin cannot be applied in countries where the state apparatus is not fully dominated by the ruling populism and / or civil society is

stronger. This is evidenced by the populists defeat in 2015 elections in Argentina and Venezuela. It must be remembered, however, that several years of their rule led both countries to ruin.

### The final word

The reader guessed long ago that the above sketch about bad transformations was written with Poland under the rule of PiS in mind. Anyone can form an opinion how factors, that determine what the stability of the Polish transformation, look like and will look like in our country. I think that - fortunately for Poland - they look a lot worse for PiS than respective factors in, for example, Turkey, Argentina, Venezuela, Hungary, not to mention Putin's Russia. Jarosław Kaczyński is a less talented demagogue than, for example, Perón, Orbán or Erdogan. PiS might not to be a strong and lasting organization. The social basis of PiS is smaller than, for example, Erdogan's base in Anatolia and it is more unstable. And finally, PiS cannot extend free distribution without increasing problems in the finances of the state and / or a large tax increases. And that would hit the entire society, including the base of PiS.

This will be exacerbated by growing economic problems arising from the replacement of pro-development reforms with anti-reforms, especially with growing interventionism. I do not think that - in the long run - PiS will manage to compensate for the decrease of distribution by growing indoctrination and by the use of the state apparatus to fight political opponents. It is safer, however, to assume that they will try. One should not bear any illusions about Jarosław Kaczyński, Andrzej Duda, Antoni Macierewicz, Zbigniew Ziobro, Mariusz Kamiński and Mariusz Błaszczak. All cases of the use of the state apparatus against opponents have to be exposed and publicised along with the names of the perpetrators.

From the fact that the PiS' transformation is unlikely to last, it does not follow that one can sit back and wait for its end. Firstly, because it is only a forecast, and in social sciences forecasts do not always work out as some events cannot be predicted. Secondly, because the longer it will last, the worse for Poland in all major dimensions: the rule of law, stability and economic development, the reliability of the media, a sense of security and comfort in relations with the state, the Polish position in the European Union and the world.

Therefore, using our civil liberties, one has to act - in an organized, systematic and growing manner. And these freedoms must be defended like the pupil of the eye.